

Whither health-care reform?

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As we [wrote Sunday](#): “This week represents a pivot for Mr. Obama, away from a focus on short-term economic problems and toward long-term fiscal problems. President Obama this week will open the debate on how to put the country on sounder long-term budget footing, while trying to pursue his own social programs.”

President Obama hosts his summit on fiscal responsibility Monday at the White House. In addition to remarks that he and a few others will give at the beginning of the three-hour meeting, there will be five breakout sessions where top administration officials lead conversations on tax policy, health care and Social Security reform, contracting and procurement, and the budget. The White House said Monday morning they were still debating whether or not to make those sessions open to the press.

One of the big questions going forward will be how Obama fulfills promises to cut spending and reduce the deficit while delivering on his promise of universal healthcare and energy reform.

In my interviews for Sunday's piece, I spoke with Rep. Chris Van Hollen, the Maryland Democrat who is known for his policy chops. One of the ideas he was promoting was Medicare reform focused on changing the compensation structure for healthcare providers.

The goal: create an incentive for providers to play facilitator for those with multiple chronic diseases, helping them to get care from one place or at least in a coordinate way.

“There are cases, if you look at the Medicare budget, we spend about 25 percent of Medicare on 5 percent of the medicare population,” Van Hollen said.

“Right now you have people going to separate specialists. There is very little coordination of care. You've got often contradictory prescriptions. You have different people prescribing prescriptions that often conflict,” he said.

“So we need to have a designated medical home for individuals in these categories to get a much better handle on their care, which hopefully would improve the quality of care but also drive down the costs.”

Rep. Paul Ryan, the rising Republican star from Wisconsin, has actually proposed a comprehensive plan for dealing with America's long-term entitlement problem, called “A Road Map for America's Future.” The Web site for the plan is www.americanroadmap.org

One of the centerpieces of Ryan's plan is a refundable tax credit of \$2,500 for individuals and \$5,000 for families to purchase health care on their own. He also proposes simplifying the tax

code so that those making \$50,000 (or joint filers making \$100,000) and under pay a 10-percent income tax, and those over that amount pay 25 percent. The highest tax bracket currently pays 35 percent.

Over at The American Prospect, Ezra Klein [Sunday wrote](#) that Obama's budget proposal this Thursday will likely leave room for Congress to act on reforming a source of inequity between those who get healthcare through their employer and those who don't: the employer tax exclusion.

Klein reports that one palatable change to the current system might be to tax any employer-based plan that exceeds \$7,500 (and \$15,000 for families). This would prohibit people from signing up for health-care programs that they don't need.

-- Jon Ward, White House reporter, *The Washington Times*